

Brexit Update Note

14th October

MAPS Performance

	MAP2	MAP3	MAP4	MAP5	MAP6
Since Brexit Vote	+4.1%	+4.0%	+2.9%	+2.6%	+0.9%
Year to Date 2016	+3.3%	+3.9%	+3.9%	+4.8%	+7.3%

Source: MoneyMate; Performance is gross of fees and tax to 13/10/2016

Key Message - MAPS continues to deliver on expectations

- Strong MAPS performance before, during and after Brexit vote result
- Shares (especially Low Volatility Shares), Bonds, Property and External Managers in MAPS are all contributing to performance
- Benefitting from geographic diversification – UK exposure is low
- Strong risk management with 50% of Sterling exposure hedged
- All MAPS funds have remained within their expected Range of Returns throughout Brexit voting period

Stock Market Recovery

- Equity markets recovered quickly because:
 - Prompt appointment of a new Prime Minister (Theresa May) gave confidence.
 - The Bank of England provided reassurance to prevent the economy stalling.
 - Greater than expected resilience in the UK and European economies over the summer.
 - Improvement in the global growth outlook centred on the US.
- The FTSE 100 is up +12.8% in local currency (£ sterling) because of companies in the index who export and will benefit from weaker sterling.
- All MAPS funds have remained within their expected Range of Returns throughout Brexit voting period.
- It is worth noting that although the FTSE 100 is +12.8% in Sterling terms, that becomes a 5% loss in Euro terms because of movements in currency. See table below.

Brexit Vote Impact – 23rd June to 11th October

Equity Markets	Local Currency	Euro Currency
Global	3.5%	4.9%
UK	12%	-4.9%
Currency Markets	Level	Change
What 1 Euro buys in Sterling	0.904	+17.90%
What 1 Euro buys in Dollars	1.101	-3%

Source: Factset

Brexit Update Note

Currency Impact

- Since the adoption of a 'Hard Brexit' stance by the UK government, sterling weakened significantly against the Euro falling 18% to a low of 94.15p against the Euro and a 31yr low against the dollar of £1.1841.
- Sterling has rebounded from those lows and is now close to perceived 'fair value' but continued uncertainty regarding the 'Hard Brexit' may contribute to further weakness.

Political Developments

- Theresa May (PM) announced last week that the UK expected to trigger Article 50 to start the exit process no later than March 2017.
- Furthermore, the UK would seek a 'Hard Brexit' looking to control its borders, immigration policy and regain full sovereignty and independence from Europe.
- It will be more difficult for the UK to retain access to Europe if preventing the free movement of labour and capital which may impact harder on UK economy over time.
- The PM has agreed to allow parliament to debate the Brexit issue.

UK Economy

- The UK economy has proven to be much stronger than expected post Brexit but there is weakness evident in surveys around future hiring and investment plans. Consumers remain optimistic for now.
- Since Brexit, the UK economy looks to have grown by approximately +0.4%, better than expected.
- However, foreign companies like Nissan have already suggested they could reconsider their UK investments unless fully compensated for any negative impacts of Brexit.

Note: Please note all views are expressed on the basis of information available today. We will keep you informed of our views as events unfold.

Irish Life Investment Managers Limited is regulated by the Central Bank of Ireland

Past performance, forecasts and simulated performance may not be a reliable guide to future performance

Investments may fall as well as rise

Changes in currency exchange rates may have an adverse effect on the value, price or income of the product

This material is for information only and does not constitute an offer or recommendation to buy or sell any investment and has not been prepared based on the financial needs or objectives of any particular person. It is intended for the use of institutional and other professional investors